

GOVERNMENTAL OPERATIONS

Agency 105

Office of Financial Management

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2009-11 Expenditure Authority	305.2	41,634	100,142	141,776
Total Maintenance Level	302.9	41,886	103,450	145,336
Difference	(2.3)	252	3,308	3,560
Percent Change from Current Biennium	(0.8)%	0.6%	3.3%	2.5%
Performance Changes				
Budget Systems Support			(502)	(502)
Labor Relations Rate Reduction	2.0		(496)	(496)
Risk Management Rate Reduction	(1.0)		(544)	(544)
Transfer K-20 Network #	.3		24,769	24,769
Transform Financial Processes #	24.4		18,562	18,562
Staff Reductions	(9.0)	(4,077)		(4,077)
Office of Regulatory Assistance #			212	212
Move Information Technology Policy Oversight to OFM #	17.5	1,767	5,909	7,676
Suspend Plan 1 Uniform COLA #		(598)	(467)	(1,065)
State Data Center Rate Increase		832		832
Department of Personnel Merger into Office of Financial Management #	59.6		10,682	10,682
Department of Enterprise Services-OFM #	(188.7)	(1,100)	(81,937)	(83,037)
Subtotal	(95.0)	(3,176)	(23,812)	(26,988)
Total Proposed Budget	208.0	38,710	79,638	118,348
Difference	(97.3)	(2,924)	(20,504)	(23,428)
Percent Change from Current Biennium	(31.9)%	(7.0)%	(20.5)%	(16.5)%
Total Proposed Budget by Activity				
Accounting Services for Other Agencies	(7.0)	680		680
Administrative Activity	69.2	3,621	10,682	14,303
Assessment Payments on State Lands		250		250
Budget Driver and Expenditure Forecasts, Research, and Monitoring	6.6	1,971	106	2,077
Enterprise Financial Systems Support	(6.6)	1,765	(649)	1,116
Collective Bargaining	17.0	491	4,808	5,299
Governor's Budget Development	35.5	8,145	447	8,592
Office of Regulatory Assistance	3.0	2,427	397	2,824
Personal Service and Client Service Contracts	(1.1)	89		89
Population Estimates, Forecasts, and Census Data	7.6	1,996		1,996
Risk Management		593		593
Statewide Accounting Policies and Reporting	20.0	3,123	836	3,959
Statewide Economic and Revenue Forecasts, Fiscal Planning, and Research	8.0	1,968		1,968

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	Annual FTEs	General Fund State	Other Funds	Total Funds
Statewide Policy Development for Governor's Office	39.8	8,212	35,974	44,186
Washington Commission for National and Community Service	7.9	921	27,037	27,958
Inactive - WorkFirst Program		(264)		(264)
Management, Accountability and Performance	8.0	2,722		2,722
Total Proposed Budget	208.0	38,710	79,638	118,348

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Budget Systems Support

Funding to support the Transportation Executive Information System is reduced. (Motor Vehicle Account-State)

Labor Relations Rate Reduction

Billings to general government and higher education agencies for labor relation services will be reduced by 10 percent. The program will reduce expenditures on goods and services, contracts, and its working capital reserve. (OFM Labor Relations Service Account-Nonappropriated)

Risk Management Rate Reduction

Risk Management will reduce its rates by 10 percent. (Risk Management Administration Account-Nonappropriated)

Transfer K-20 Network

The K-20 Education Network is transferred to the Office of Financial Management. It is the nation's first high-speed, high-capacity network linking colleges, universities, school districts, and libraries statewide. The K-20 Network provides video and data services to education facilities located throughout the state. Video services are used for such purposes as distance education and teacher training. Data services are used for Internet access by faculty and students and processing of education-related applications. (Education Technology Revolving Account-Nonappropriated)

Transform Financial Processes

Funding is provided to continue the state's development of enterprise systems for administrative and business processes. The automation of timekeeping and attendance reporting will take place first, a top priority of many agencies, including the Department of Transportation which will serve as a pilot agency. Activities will also include the reengineering of financial business processes, redesign of the state's chart of accounts, and development of an implementation plan to replace the state's aging financial systems with an enterprise resource planning system. (Motor Vehicle Account-State, State Efficiency and Restructuring Account-State, Multimodal Transportation Account-State)

Staff Reductions

The Information Services Division will defer the replacement of aging information technology equipment and will reduce staff resources for internal technical assistance to budget analysts, responses to outside data inquiries, system planning, and ad hoc budget data analysis. The Accounting Division will maintain a vacancy, the Governor's Executive Policy Office will maintain two vacancies, and the Forecasting Division will eliminate one position. There will be delays in the business office in processing personnel requests, paying bills, or conducting special projects. Eight additional positions are eliminated. Due to fewer staff, the agency will eliminate office space and associated goods and services expenditures.

Office of Regulatory Assistance #

Federal expenditure authority is provided for the Office of Regulatory Assistance for a grant received from the Environmental Protection Agency to fund a National Exchange Network Map-based Search Portal and Node Crawler. (General Fund-Federal)

Move Information Technology Policy Oversight to OFM #

Management and oversight of strategic technology is reduced and transferred to the Office of Financial Management where a new Office of the Chief Information Officer will be established. The new office will be responsible for the development and implementation of state strategic information technology initiatives and oversight of information technology resources. (General Fund-State, General Fund-Federal, Data Processing Revolving Account-State)

Department of Personnel Merger into Office of Financial Management #

The Department of Personnel's human resource policymaking functions are moved to the Office of Financial Management. These functions include training curriculum development, classification and compensation determination, and metrics analysis. (Department of Personnel Service Account-State, Higher Education Personnel Services Account-State)

Department of Enterprise Services-OFM #

The agency's Information Services Division, Risk Management Division, Contracts Office, and Small Agency Client Services are moved to the new Department of Enterprise Services. (General Fund-State, Various Other Funds)

ACTIVITY DESCRIPTIONS

Accounting Services for Other Agencies

The Office of Financial Management (OFM) provides comprehensive, cost-effective accounting, budgeting, and payroll services to small agencies. Small Agency Client Services (SACS) serves as the fiscal officer, financial advisor, budget officer, and service coordinator for these agencies.

Administrative Activity

The Administrative activity represents the OFM Director's Office. This includes the director, deputy director, legislative liaison, communications director, legal counsel, and their support staff.

Assessment Payments on State Lands

OFM pays taxes and other assessments on state-owned lands in accordance with RCW 79.44.

GOVERNMENTAL OPERATIONS

Budget Driver and Expenditure Forecasts, Research, and Monitoring

The Budget Driver, Expenditure Forecasts, Research, and Monitoring activity supports fiscal planning, budget monitoring, and risk management functions of the Office of Financial Management. The staff develops and provides data and quantitative analysis for the state's health care, human services, and P-20 education programs in support of budget development. The activity also staffs OFM's responsibilities on the Caseload Forecast Council; provides OFM with the ability to monitor and identify rapid changes in spending patterns; and provides technical assistance to agencies in the development of data infrastructure and information systems to support fiscal management. Recently added functions include the Education Data Center (EDC) and the Strategic Health Planning Office (SHPO), both established in statute. The EDC is responsible for integrating data across education sectors so that student transitions and outcomes can be tracked and explained. The SHPO has focused on practice variation and other research to help identify potential areas in public and private health care where costs can be reduced and/or quality improved.

Enterprise Financial Systems Support

The Office of Financial Management's (OFM) Information Services Division (ISD) is the main supplier of financial and administrative systems to all of state government, particularly in its support role of the statewide accounting and budgeting processes for which OFM is responsible. ISD currently supports over 90 applications of various size, complexity and user base, including the state's general ledger accounting system, budget development and allotment systems, fiscal note system, travel and expense management system and enterprise reporting tools. This activity helps reduce the total cost of government by providing systems all agencies can use, reducing the need and cost for individual agency applications. System support activities include user training and help desk support. The division also provides internal technology support to OFM and the Governor's Office.

Collective Bargaining

OFM represents the Governor in collective bargaining negotiations for wages, hours, and working conditions for represented classified employees, including those in higher education. As a result of legislation passed by the 2002 Legislature, OFM negotiates all master contracts and provides guidance for all supplemental bargaining. The first contracts were submitted to the Legislature for approval with the Governor's 2005-07 budget request. (Labor Relations Service Account)

Governor's Budget Development

OFM's Budget Division assists in the development of the Governor's budget proposal to the Legislature. Primary activities include evaluating budget requests from state agencies and providing the Governor with recommendations for funding levels; preparing the Governor's budget proposal; assisting the Governor in establishing financial, budget, and program policies for the state; and monitoring agency implementation of executive and legislative budget objectives. (General Fund-State)

Office of Regulatory Assistance

The Office of Regulatory Assistance coordinates permit assistance activities with various state agencies. It oversees the customer service, permit facilitation and coordination, and other activities within the permit assistance program in the Department of Ecology. It also oversees the contract with Ecology for permit assistance activities; works with businesses and project proponents on permitting issues and helps answer questions regarding state, federal, and local agency processes; and works to streamline regulatory processes. The Office of Regulatory Assistance also works with state agencies to develop and adopt an integrated permit system that would bring together project design, environmental review, permitting, and mitigation elements into a single process.

Personal Service and Client Service Contracts

The Personal Services and Client Services Contracts section develops and maintains statewide contract policies for personal services and client services based on state regulations. Contract staff provide training and consult with agencies regarding contract and procurement issues to ensure agencies are appropriately expending contract dollars. The staff also provides review and approval of approximately 1,200 personal service contracts filed with OFM annually to oversee state agency contract practices and compliance with statutory requirements under RCW 39.29.

Population Estimates, Forecasts, and Census Data

The Population Unit produces the official, statutorily required, population figures for the state, cities, towns, and counties, including the official county population forecasts required under the Growth Management Act (GMA). The statutorily required population estimates are needed for statewide economic and revenue forecasts and fiscal planning activity, budget driver, and expenditure forecasts. The Unit is also responsible for supporting all statutes using population size as criteria for the allocation of millions of dollars to local governments. The Unit certifies all population counts associated with municipal boundary changes in Washington, acts as liaison to the federal Bureau of the Census for state and local agencies, and assists the bureau with decennial census and product distribution activities through the State Data Center program. The Unit also determines the official population counts for annexations and provides population estimates for a new program that provides tax credits to municipalities for large annexations,

Risk Management

The Risk Management program identifies, controls, and reduces the financial impact of general liability, vehicle, and property losses to the state, and develops programs to finance the state's exposure to risk. In addition, the program protects the beneficiaries and assets of local government self-insurance programs through effective regulation. Services provided include administering a self-insurance program to finance tort losses; purchasing commercial insurance on behalf of state agencies; receiving, processing, delegating, and investigating state agency tort claims and legislative relief claims; maintaining a comprehensive master database of all claims; providing training to state agencies on how to lessen risks associated with tort liabilities; and approving and regulating local government property/liability risk pools and health/welfare employee benefit programs. (Risk Management Administration Account)

Statewide Accounting Policies and Reporting

The Statewide Accounting Policies and Reporting section develops and maintains state administrative and accounting policies for payroll, travel, federal grants, accounting, and reporting. Policies incorporate federal and state regulations, as well as national accounting standards. The staff consults with and provides training to state agency personnel on the policies. The Statewide Accounting unit also monitors financial data for compliance with the policies and prepares a number of reports including the state's Comprehensive Annual Financial Report, the Audit Resolution Report, and the federally-mandated Single Audit Report. (Data Processing Revolving Account, Auditing Services Revolving Account)

Statewide Economic and Revenue Forecasts, Fiscal Planning, and Research

This activity supports statewide fiscal planning and budget and revenue monitoring functions of OFM directly related to the development of the Governor's budget and the management of biennial budgets. The staff provide analysis of the impact of major economic events, social and economic trends, and public policies on the state economy and revenues. It supports OFM's role on the Economic and Revenue Forecast Council and the Expenditure Limit Committee and staffs the Governor's Council on Economic Advisors. It also helps provide official fiscal impact statements for statewide ballot measures. The staff also prepares statewide revenue, expenditure, and expenditure limit information for the Six-Year Outlook to support the preparation of the Governor's budget and the evaluation of biennial budgets in terms of risks and sustainability. The staff also provides analysis and recommendations to the Governor for the development of revenue and tax policy, including analysis of enrolled bills and fiscal notes in the revenue/tax area.

GOVERNMENTAL OPERATIONS

Statewide Policy Development for Governor's Office

The Executive Policy Office performs policy research and analysis for the Governor, and works with agencies and OFM budget staff in the development of proposed legislation and the Governor's budget proposal.

Washington Commission for National and Community Service

The Washington Commission for National and Community Service was created in 1994 as part of the National and Community Service Trust Act of 1993 to implement AmeriCorps and support other national service initiatives throughout the state. Currently, the commission receives approximately \$14 million annually in competitive federal funds, supporting 15 programs that address major state and gubernatorial priorities. One of the largest programs, the Washington Reading Corps, places 250 members in needy elementary schools to raise reading levels of struggling readers. The commission will also have major priorities and programs as part of the national Citizen Corps that will support volunteers in homeland security activities. Commission staff support a 25-member commission appointed by the Governor that sets policy, identifies goals, and establishes priority needs that national service should address. In addition, the commission utilizes service as a strategy to help address gubernatorial priorities, ensures compliance with federal grant policies, and assesses the impact of national service investments in the state.

Inactive - WorkFirst Program

OFM provides the staff support necessary to oversee the Governor's planning and implementation of Washington State's welfare reform initiative called WorkFirst. This program helps financially struggling families find and retain meaningful jobs, and build a better life for their children.

Management, Accountability and Performance

This activity assists agencies in successfully implementing the Governor's management agenda, including Plain Talk and GMAP (Executive Orders 05-02 and 05-03) It also provides technical assistance and enterprise-wide strategic direction on performance and accountability.